

DAUGHTERS OF CHARITY HEALTH SYSTEM

Resolutions of the Board of Directors

October 3, 2014

WHEREAS, Daughters of Charity Ministry Services Corporation, a nonprofit religious corporation (the "Corporation"), is the parent of a nonprofit health care system (the "Health System") sponsored by the Daughters of Charity of St. Vincent de Paul, Province of the West (the "Province");

WHEREAS, as the parent of the Health System, this Corporation oversees, coordinates and supports the local health ministries sponsored by the Province, which include the following (i) the nonprofit religious corporations St. Francis Medical Center, St. Vincent Medical Center, Saint Louise Regional Hospital, O'Connor Hospital and Seton Medical Center (collectively, the "LHMs"), and (ii) the related entities that support those sponsored ministries: DCHS Medical Foundation, Caritas Business Services, De Paul Ventures, LLC, and Marillac Insurance Company, Ltd., St. Francis Medical Center Foundation, St. Vincent Foundation, Saint Louise Regional Hospital Foundation, O'Connor Hospital Foundation and Seton Medical Center Foundation (collectively with the LHMs, the "Affiliates");

WHEREAS, the Province has determined, after careful study and reflection, that continuing sponsorship of the Health System is not tenable;

WHEREAS, the Board of Directors of the Corporation (the "Board") has accordingly determined that it is in the best interest of the Corporation and its Affiliates to seek a transfer of control of the Health System with the following objectives: (1) to preserve health care services in the communities served by each of the LHMs; and (2) to fulfill the Health System's commitments to its stakeholders, including its associates, bondholders and retirees;

WHEREAS, the Board has engaged in an extensive process over the past year to find options that meet these objectives to the greatest extent possible, and the Board has overseen its financial advisors' efforts through regular reports, comparisons of proposals received at each stage, and evaluation of individual and full Health System solutions;

WHEREAS, the LHMs are linked by major joint liabilities, including obligations to bondholders, retirees, associates under collective bargaining agreements and parties to system-wide contracts (the "Health System's shared obligations"), necessitating a single approach under this Board's supervision to the development and selection of proposals;

WHEREAS, in order to evaluate proposals from potential transaction parties, the Board established the following criteria: the ability to sustain post-closing health care services; a fair valuation; the ability to close a transaction; treatment of collective bargaining agreement obligations; treatment of pension obligations, especially those under the defined benefit church plan; the financial wherewithal of the prospective buyer; the operating and transactional experience of the prospective buyer; whether the buyer seeks to close a transaction under bankruptcy court supervision; the historical service quality of health care provided by potential buyer; the capital commitment offered by the prospective buyer; and the overall transaction timeline;

WHEREAS, the Board has reviewed and deliberated on all of the options and proposals presented by its independent advisors at length at each of its meetings for the past year;

WHEREAS, at the Board's direction the Corporation's financial advisor in three rounds of bids solicited proposals on individual LHMs, the Health System's portfolio of medical office building properties and the Health System as a whole, and the Board has concluded that no combination of individual proposals adequately covers Health System shared obligations, necessitating a transaction that conveys control of the entire Health System;

WHEREAS, the Board has reviewed and discussed the options and proposals presented by its independent advisors at length at each of its meetings for the past year, has reviewed and discussed the materials provided to the Board for review and attached as Exhibit A (the "Board Materials"), the definitive agreement setting forth the terms of the Transaction (the "Transaction Agreement") and similar presentations at past meetings; and today, completing the process of discernment that began in June 2012, this Board has concluded that the proposed transaction outlined in the attached Exhibit B (the "Transaction") will best satisfy the Corporation's key objectives and criteria;

WHEREAS, the Transaction is subject to approval by the Holy See with respect to alienation of the Province's stable patrimony and other canonical assets, which comprise a substantial portion of the property used by the LHMs;

WHEREAS, the Transaction is subject to the approval and consent of the California Attorney General and other state or federal governmental entities;

WHEREAS, the majority/all of the Directors of the Board have been confirmed to be present and voting and none are Interested Directors as such term is defined in Section 5233 of the California Corporations Code; and

WHEREAS, the requirements of applicable law with regard to self-dealing transactions and the Corporation's policies on conflicts of interest have been considered and addressed.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That the Board hereby determines that the Transaction is in the best interest of the Corporation and the Affiliates; and

RESOLVED: That the Transaction is hereby approved, and that this Board recommends approval thereof by the Corporation's sole corporate member, Daughters of Charity Ministry Services Corporation ("Ministry Services Corporation"); and

RESOLVED: That each of the individuals holding the following offices of the Corporation from time to time is designated an "Authorized Officer" for all purposes in connection with the Transaction:

Chief Executive Officer

Board Chair

Chief Financial Officer

Board Treasurer
Board Vice-Chair

RESOLVED: That the execution and delivery of the Transaction Agreement and all other agreements, instruments and documents named in Exhibit A or otherwise contemplated by the Transaction Agreement (the "Transaction Documents") and the performance of all obligations of this Corporation and each of its Affiliates contemplated by the Transaction Documents are hereby approved and authorized; and

RESOLVED: That the articles of incorporation and bylaws of the Corporation and the Affiliates be amended as necessary or advisable to consummate the Transaction; and that each of the Authorized Officers acting singly be authorized, empowered and directed, on behalf of this Corporation acting for itself and as sole member of the Affiliates to execute and file any such amendments to the articles of incorporation and bylaws of the Corporation and the Affiliates, related actions by written consent of this Corporation as sole member, and other evidence of approvals required by reserved powers under applicable bylaws of Affiliates; and

RESOLVED: That each of the Authorized Officers acting singly be authorized and directed (a) to prepare, execute and file a written notice, application and other related materials with the California Attorney General regarding the Transaction pursuant to the requirements of Section 5914 of the California Corporations Code and the regulations promulgated in the California Administrative Code and to negotiate and agree to consent conditions and other requirements of such approval, and (b) to prepare, negotiate, execute and deliver all notifications, filings documents and certificates, and take all other actions, as may be reasonably necessary or appropriate, and to obtain all approvals or consents to the Transaction from the California Attorney General or any other state or federal government agency or regulatory body; and

RESOLVED: That following the receipt of all approvals or consents and the satisfaction (or waiver by an Authorized Officer) of the conditions precedent to the Transaction, each Authorized Officer acting singly is authorized to execute and deliver such certificates, affidavits, deeds, releases, other documents, actions by written consent, waivers or conditions, directions and instruments; to approve regulatory conditions; to modify or waive closing conditions; and to take such other actions as each Authorized Officer so acting deems to be necessary or desirable to carry out the intent of these resolutions to consummate the Transaction and to address post-closing regulatory, contractual and other requirements; such execution and delivery or other action by an Authorized Officer to be conclusive evidence of authorization by this Board; and

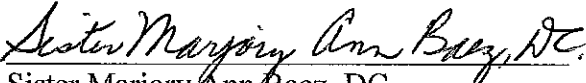
RESOLVED: That all acts and things done by any director, officer, employee or agent of the Corporation, on or prior to the date hereof, in the name and on behalf of the

Corporation, in connection with the Transaction or any matter contemplated by or described in the foregoing resolutions, are in all respects ratified, approved, confirmed and adopted as acts and deeds by and on behalf of the Corporation; and

RESOLVED: That this Corporation ask each of the Affiliates' boards of directors (i) to concur in the Transaction as being in the Affiliates' best interests and (ii) to approve all Affiliate actions needed to implement the Transaction; and

RESOLVED: That, in accordance with the Corporation's bylaws, these resolutions will become final, binding action of the Corporation when such action has been approved or ratified by final action of Ministry Services Corporation acting in accordance with the Corporation's bylaws and the bylaws of Ministry Services Corporation.

The undersigned Chairperson and Secretary of the Board do hereby certify that this document is a true and complete copy of the resolutions adopted by the Board on October 3, 2014.


Sister Marjory Ann Baez, DC
Chairperson, DCHS Board of Directors

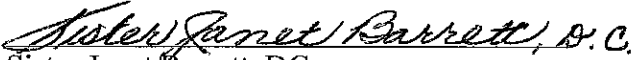

Sister Janet Barrett, DC
Secretary, DCHS Board of Directors

Exhibit A

[Board Materials]

Exhibit B

[Summary of Transaction]